

Message Text

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73

ACTION NEA-06

INFO OCT-01 EUR-10 ISO-00 AID-05 CIAE-00 COME-00 EB-03

FRB-01 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-01 OPIC-02

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 ABF-01 PA-01 PRS-01

USIA-04 DRC-01 /054 W

----- 041304

R 081535Z OCT 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 694

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY TEHRAN

AMEMBASSY MANAMA

AMCONSUL DHAHRAN

USOECN PARIS 3872

AMEMBASSY CAIRO

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EO 11652: NA

TAGS: EFIN ENRG XF

SUBJ: LENDING IN RIYALS, DINARS

REF: ECRP (EAL), KUWAIT 4299 NOTAL

1. DURING VISIT THIS WEEK OF USG ANALYSTS, SUBJ OF MONEY OR CAPITAL MARKET IN RIYALS OR DINARS CAME UP OCCASIONALLY, USUALLY IN HYPOTHETICAL VIEN. VARYING VIEWS MAY INTEREST ADDRESSEES.

2. FNCB REGIONAL OFFICIAL SAID SAUDI RIYALS AVAILABLE AT TWO OR THREE PER CENT DUE OVERSUPPLY AND THERE SOME LIMITED OFFICIAL USE

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INTEREST IN THEM LATELY. UNITED CALIFORNIA REP SAID

THAT OF STRONG CURRENCIES REGIONALLY HE WOULD PERFER
BORROWING RIYALS OR DINARS, WHOSE EXCHANGE RATES
CONTROLLED BY GOVTS, TO UNCONTROLLED LEBANESE POUND.
AMERICAN EXPRESS (BANKING SUBSIDIARY) DIRECTOR
DUBIOUS, NOTING THAT, ALTHOUGH RIYAL AND INAR RATES
CONTROLLED, "WHEN THEY GO UP THEY GO UP A LONG WAY"
AND THERE NO EXCHANGE RISK PROTECTION AVAILABLE.

3. ON BROADER SUBJ OF CREATION OF A COMMON
"ARAB DINAR", FORMER OAPEC SEC GEN SADA AWI, WHO HAS
ADDED FINANCIAL CONSULTING TO HIS PETROLEUM CONSULTING
BUSINESS, SAID THE ARAB DINAR STILL A LONG WAY OFF
DUE ECONOMIC DISPARITIES WITHIN ARAB WORLD.

4. COMMENT: ABOVE SOURCES WERE SPEAKING OFF THE
RECORD AND CASUALLY SO SHOULD BE PROTECTED. WE
GAINED IMPRESSION RIYAL OR DINAR MARKET, IF ONE EXISTS,
WILL REMAIN SMALL AND SPECIALIZED UNTIL EXCHANGE RATE
ADJUSTMENTS COMPLETED.
GODLEY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, CREDIT, FOREIGN EXCHANGE, DINAR
Control Number: n/a
Copy: SINGLE
Draft Date: 08 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BEIRUT11239
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740285-0852
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741065/aaaacdit.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: ECRP (EAL), KUWAIT 4299 NOTAL
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2002 by boyleja>; APPROVED <11 MAR 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LENDING IN RIYALS, DINARS
TAGS: EFIN, XF
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005